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August 8, 1997

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AUG - 8 1997

SEMERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Notice of Oral Ex Parte Presentation; PR Docket No. 93-144, GN Docket No. 93-259 and PP Docket No. 93-253

Dear Mr. Caton:

This is to notify the Office of the Secretary that Mr. Robert Dawson, Chairman and CEO of Southern Communications Services, Inc., a subsidiary of The Southern Company ("Southern"), Mr. Bob Edwards of Troutman Sanders, Ms. Christine Gill and Ms. Carole Harris, attorneys with the law firm of McDermott, Will & Emery, on behalf of its client, Southern, made an oral ex parte presentation to Ms. Suzanne Toller, Legal Adviser to Commissioner Rachelle B. Chong, and Mr. Rudy Baca, Legal Adviser to Commissioner James H. Quello, on August 7, 1997.

The substance of these conversations with the FCC staff concerned the issues addressed in Southern's Application for Review of the Wireless Telecommunications Bureau's Order, released May 20, 1997, in the above-captioned proceeding (DA 97-1059). Attached please find a copy of the talking points used for the meetings.

In accordance with the Section 1.1206 of the Federal Communications Commission rules, this original and one copy are provided to your office. A copy of this notice has been hand-delivered to Ms. Toller and Mr. Baca.

7,4,00

Very truly yours

Christine M. Gill

Enclosure

cc: Office of the Secretary (6 copies)

Ms. Suzanne Toller

Mr. Rudy Baca

## THE SOUTHERN COMPANY

800 MHz Commercial Mobile Radio Service
Construction Requirements
and
Extended Implementation Authority

- ▶ Southern is simply seeking parity with other CMRS entities.
- Southern's system provides state-of-the-art service to both rural and urban areas.
  - ▶ Southern is competing right now.
    - Southern has invested over \$200 million and has already built over 300 base station sites.
    - Southern's system serves over 90% of the population in its SMR service area and over 30,000 external customers
    - ▶ It has constructed 224 discrete channels of its 341 discrete channel total--over 65%, which is more than auction winning CMRS providers will be required to do.
  - ▶ Southern's system is:
    - geographically the largest centrally switched state-of-the-art digital
       800 MHz SMR system in the world; and
    - ▶ a wide area SMR providing digital service even in rural areas; Southern's customers in Collins, Mississippi get the same advanced digital service as its customers in Atlanta, Georgia.
- Southern's system is essential to the public welfare within the utility service area.
  - ► Critical nature of Southern's communications traffic demands the highest levels of efficiency and reliability.
    - Nuclear power plants, public safety entities, including the Alabama Emergency Management Association rely on Southern's system for communications.
    - Southern's operations are especially important during dangerous storms and other natural disasters, when other systems have failed.

- ▶ <u>Site-by-Site, Channel-by-Channel construction deadlines would be devastating.</u>
  - Southern must be able to plan for future growth.
  - ► Southern would have to spend hundreds of millions more almost immediately.
  - ▶ Unlike other CMRS providers, Southern would be denied the opportunity to invest in developing technologies.
  - ▶ If Southern can't build out the entire system by the deadline, rural areas would be disadvantaged.

## This is not an auction issue.

- ► The relief Southern requests would in no way reduce the value of any Economic Areas at auction.
- Southern's channels are overwhelmingly in the Industrial/Land Transportation category and would not be included in upcoming auctions. Only 5% of Southern's channels are in auctionable spectrum.

## The upcoming auctions cannot solve the problem.

- Even if Southern bought all the EA's in which it operates, it would still face insurmountable construction deadlines.
  - ► There aren't enough vacant channels to replace Southern's "construction deadline channels."
  - ► The spectrum is so heavily encumbered that there isn't enough space to move incumbents to comparable spectrum.
- ▶ If Southern's spectrum is forfeited because of the construction deadlines, there is no way to get any more.

## The Solution

- Apply to Southern's CMRS system to the same construction requirements as will apply to auction winning CMRS providers.
  - ▶ Population and channel use requirements.
  - Based on authorized service area.
  - ▶ The Commission has long recognized the value of providing licensees this kind of flexibility.
  - ▶ Simple, fair, and in keeping with Commission policy.